



IRAQ EMERGENCY FISCAL STABILIZATION, ENERGY SUSTAINABILITY, & SOEs DPF (P155962)

MIDDLE EAST AND NORTH AFRICA | Iraq | Macro Economics & Fiscal Management Global Practice |
IBRD/IDA | Development Policy Lending | FY 2016 | Seq No: 1 | ARCHIVED on 04-Nov-2016 | ISR24571 |

Implementing Agencies: Ministry of Electricity

Key Dates

Key Project Dates

Bank Approval Date:17-Dec-2015

Effectiveness Date:19-Dec-2015

Planned Mid Term Review Date:--

Actual Mid-Term Review Date:--

Original Closing Date:31-Dec-2016

Revised Closing Date:31-Dec-2016

Program Development Objectives

Program Development Objective (from Program Document)

The operation is structured under three pillars which are also the program's development objectives aimed at improving: (1) expenditure management; (2) sustainability of energy supply; and (3) transparency of state-owned enterprises. The first pillar includes reforms aimed at improving public wage reform, public investment and debt management, and the pension system. Within the second pillar, reforms focus on reducing gas flaring, expanding gas-to-power generation, and reducing electricity subsidies. The third pillar tackles the lack of transparency among financial and non-financial SOEs.

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	--	● Satisfactory
Overall Implementation Progress (IP)	--	● Highly Satisfactory
Overall Risk Rating	--	● High

Implementation Status and Key Decisions

A World Bank DPF mission visited Baghdad on March 19-23, 2016, and Amman from March 23 to 30, 2016, to assess progress towards the implementation of the Emergency Fiscal Stabilization, Energy Sustainability, and State-Owned Enterprise Transparency Development Policy Financing (DPF thereafter). The mission was composed of Eric Le Borgne (Lead Economist and co-Task Team Leader), Sibel Kulaksiz (Senior Economist and co-Task Team Leader), Lydia Habhab (Public Sector Analyst), and Lemya Ayub (Private Sector Development Analyst). The mission found that the Government of Iraq has shown progress in implementing the reforms. The mission assessed that 11 out of 12 result indicators are on track. The overall rating of the Implementation Status Report (ISR) of this DPF operation is Satisfactory. The ISR rating is based on the likelihood that the DPF result indicators are achieved by the target date of end-March 2017. Progress on some indicators (such as the one related to debt management) is relatively slow and a significant pick-up in speed of implementation is required to ensure that the targeted levels or status are reached by end-March 2017. Therefore, to ensure a positive development outcome from this DPF, continued actions are needed, as detailed in the mission aide-mémoire.



Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● High	--	● High
Macroeconomic	● High	--	● High
Sector Strategies and Policies	● Substantial	--	● Substantial
Technical Design of Project or Program	● Moderate	--	● Moderate
Institutional Capacity for Implementation and Sustainability	● Substantial	--	● Substantial
Fiduciary	● High	--	● High
Environment and Social	● Moderate	--	● Moderate
Stakeholders	● High	--	● High
Other	--	--	--
Overall	● High	--	● High

Results

Results Indicators

► Reduction in the basic annual salary of top public sector employees as a ratio of annual GDP per capita (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.90	--	--	1.70
Date	01-Sep-2015	--	--	31-Mar-2017

► Percentage of capital projects valued at over US\$500 million for which a feasibility study with cost-benefit analysis is done (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	3.00	--	--	5.00
Date	01-Sep-2015	--	--	31-Mar-2017



► Approval and publication on the Ministry of Finance website of a public debt management strategy in line with international best practice (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	None	--	--	Publication
Date	01-Sep-2015	--	--	31-Mar-2017

► Improved financial sustainability of the State Pension Fund through better governance as measured by a 5 percent nominal reduction of the cash benefit spending of the National Board of Pension (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	5.00
Date	01-Sep-2015	--	--	31-Mar-2017

► Reduced gas flaring—measured by the amount of additional (associated) gas processed (average MMscf per day) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	656 MMscf	--	--	1070 MMscf
Date	01-Dec-2014	--	--	31-Mar-2017

► Gas-to-Power Inter-ministerial Committee in place and an Action Plan developed (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	None	--	--	Action Plan
Date	01-Sep-2015	--	--	31-Mar-2017



► Fuel switching to generate power from petroleum products to gas—measured as total gas volume supplied to gas turbine power production (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	600 MMscf	--	--	840 MMscf
Date	01-Dec-2014	--	--	31-Mar-2017

► Increased tariffs for energy-intensive consumers—measured by the retail price of electricity sold (in ID per kWh) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	ID 30.74 kWh	--	--	ID 31.05 kWh
Date	01-Dec-2014	--	--	31-Mar-2017

► Improved service delivery—measured by total electricity sold (Megawatt hour(MWh), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	44000000.00	--	--	47600000.00
Date	01-Dec-2014	--	--	31-Mar-2017

► Publication of a consolidated annual report on financial and employment metrics of non-financial SOEs (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	None	--	--	Publication
Date	01-Sep-2015	--	--	31-Mar-2017



► Ratio of state deposits in private banks to state deposits in all banks (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	5.00
Date	01-Jan-2015	--	--	31-Mar-2017

► Progress in implementing FATF action plan (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	zero actions	--	--	5 of 8 actions
Date	01-Jun-2015	--	--	31-Mar-2017

Overall Comments

Data on Financial Performance

Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P155962	IBRD-85770	Effective	USD	1,200.00	1,200.00	0.00	1,200.00	0.00	100%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P155962	IBRD-85770	Effective	17-Dec-2015	17-Dec-2015	19-Dec-2015	31-Dec-2016	31-Dec-2016

Tranches

Restructuring History

There has been no restructuring to date.



Related Operations

There are no related projects.